

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

December 2003

Summary

Revenue collections increased by an impressive 15.1 percent in December. Most of the monthly increase was attributable to exceptional growth in the motor vehicle sales tax as well as strong growth in the Commonwealth Transportation Fund's other two major sources: motor fuels tax and retail sales tax collections. On a year-to-date basis, growth is up 5.7 percent, well ahead of the forecast of 2.9 percent growth.

Motor Fuels Tax (excluding PTF Fuels Tax Revenue)

Motor Fuels Tax collections grew by 6.8 percent in December. Annual collections through the first half of fiscal year 2004 are up 3.1 percent, ahead of the 2.0 percent official forecast.

Motor Vehicle Sales and Use Tax

More generous incentive spending, rising consumer confidence and some firming in the nation's labor markets helped boost vehicle sales at the end of the year. Manufacturers ramped up incentive spending, especially on model year 2004 vehicles, to ensure a strong finish to the year. In addition, the availability of considerable inventory enabled manufacturers to easily meet customer preferences. Collections in this source increased by 31.8 percent in December and are up 13.0 percent for the year, far outpacing the official estimate of 5.7 percent growth.

Vehicle sales are expected to weaken slightly to 16.4 million in 2004. High affordability, tax cuts, favorable demographic trends with the maturation of the echo-boom generation, and an improving economy will support sales, but rising interest rates are expected to dampen this momentum by the second half of the year. In addition, given the sustained pace of sales, there is little pent-up demand to be released as would normally be expected following a downturn in the economy.

State Retail Sales Tax

The transportation portion of retail sales tax increased by 25.3 percent in December. Collections in this source are up 7.6 percent in fiscal year 2004.

Motor Vehicle Licenses

Motor Vehicle Registrations were up 4.2 percent in December. Collections of \$11.3 million were slightly higher than the \$10.8 million collected last December. Motor vehicle license receipts are flat for the year.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Revenue Estimates & Collections
For the Fiscal Years 2003 and 2004
(Dollars in Thousands)

Revenue	FY 2004 Estimate	As a % of Total Fund	December			Year-To-Date			% Annual Growth Required By Estimate
			FY 2004	FY 2003	% Change	FY 2004	FY 2003	% Change	
Motor Fuel Taxes	\$825,100	25.00	\$72,611	\$68,016	6.8	\$360,491	\$349,590	3.1	2.0
Priority Transportation Fund	20,000	0.61	2,000	2,000	0.0	8,000	8,000	0.0	0.0
Motor Vehicle Sales and Use Tax	573,600	17.39	50,237	38,124	31.8	304,033	269,100	13.0	5.7
State Sales and Use Tax	395,800	12.00	37,913	30,255	25.3	193,475	179,799	7.6	5.4
Motor Vehicle License Fees	156,600	4.74	11,253	10,798	4.2	77,861	77,870	0.0	(1.3)
International Registration Plan	58,800	1.78	2,858	2,876	(0.6)	16,003	19,497	(17.9)	2.1
Interest Earnings	9,900	0.30	0	14	(100.0)	3,480	4,702	(26.0)	(32.3)
Misc. Taxes, Fees, and Revenues	18,600	0.57	(303)	1,367	(122.2)	9,651	11,935	(19.1)	(19.9)
Total State Taxes and Fees	\$2,058,400	62.39	\$176,569	\$153,450	15.1	\$972,994	\$920,493	5.7	2.9

Percentage is greater than 1,000%.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2003 and 2004
(Dollars in Thousands)

Revenue	FY 2004 Estimate	As a % of Total Fund	December			Year-To-Date			% Annual Growth Required By Est
			FY 2004	FY 2003	% Change	FY 2004	FY 2003	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$703,200	21.31	\$61,855	\$58,109	6.4	\$310,171	\$299,018	3.7	2.1
Motor Vehicle Sales and Use Tax	368,700	11.18	32,369	24,691	31.1	195,966	173,769	12.8	6.0
Motor Vehicle License Fees	135,700	4.11	9,804	9,558	2.6	68,052	68,826	(1.1)	(2.4)
International Registration Plan	58,800	1.78	2,858	2,876	(0.6)	16,003	19,497	(17.9)	2.1
Misc. Taxes, Fees, and Revenues	18,600	0.57	(303)	1,367	(122.2)	9,651	11,935	(19.1)	(19.9)
Total State Taxes and Fees	\$1,285,000	38.95	\$106,583	\$96,601	10.3	\$599,843	\$573,045	4.7	2.3
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,408	\$1,502	(6.3)	\$6,530	\$7,798	(16.3)	(100.0)
Transfer (to) / from Transportation Trust Fund	\$20,200	0.61	\$0	\$0	-	\$20,177	\$72,271	(72.1)	(79.2)
Total Highway Maintenance and Operating Fund	\$1,305,200	39.56	\$107,991	\$98,103	10.1	\$626,550	\$653,114	(4.1)	(4.5)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$121,900	3.69	\$10,756	\$9,907	8.6	\$50,320	\$50,572	(0.5)	1.5
Priority Transportation Fund	20,000	0.61	2,000	2,000	0.0	8,000	8,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	204,900	6.21	17,868	13,433	33.0	108,067	95,331	13.4	5.2
State Sales and Use Tax	395,800	12.00	37,913	30,255	25.3	193,475	179,799	7.6	5.4
Motor Vehicle License Fees	20,900	0.63	1,449	1,240	16.9	9,809	9,044	8.5	6.1
Interest Earnings	9,900	0.30	0	14	(100.0)	3,480	4,702	(26.0)	(32.3)
Total State Taxes and Fees	\$773,400	23.44	\$69,986	\$56,849	23.1	\$373,151	\$347,448	7.4	3.8
Other Revenues:									
Federal Grants and Contracts	\$1,068,800	32.39	\$49,587	\$24,429	103.0	\$403,210	\$319,136	26.3	57.6
Receipts from Cities/Counties	45,500	1.38	1,216	432	181.5	19,645	17,805	10.3	80.0
Toll Revenues (Includes Route 28)	60,800	1.84	4,430	4,125	7.4	31,669	29,971	5.7	(3.2)
Miscellaneous Revenues	65,900	2.00	959	3,602	(73.4)	8,520	9,663	(11.8)	279.1
Total Other Revenues	\$1,241,000	37.61	\$56,192	\$32,588	72.4	\$463,044	\$376,575	23.0	58.3
Transfer (to) / from Highway Maintenance and Operating Fund	(\$20,200)	(0.61)	\$0	\$0	-	(\$20,177)	(\$72,271)	72.1	79.2
Total Transportation Trust Fund	\$1,994,200	60.44	\$126,178	\$89,437	41.1	\$816,018	\$651,752	25.2	39.3
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$3,299,400	100.00	\$234,169	\$187,540	24.9	\$1,442,568	\$1,304,866	10.6	17.9

Percentage is greater than 1,000%.